

Purpose: To focus on problems facing the policymakers in the arms transfers area that can be supported by the Intelligence Community.

Central Focus: The possible contributions and complications that NATO defense industries create for US defense interests.

Major Questions:

1. How vital is a viable European defense industry to the US?
2. Are European defense industries capable of providing Europe with the modern weapons systems they need for the 1980s and 1990s?
3. How important are intra-NATO arms transfers to the European defense industry?
4. What can be done to realize standardization, interoperability of NATO equipment?
5. How important is the Third World market to the Europeans?

BRIEF

- o The North Atlantic Alliance is 30 years old this year.
- o NATO Policy: There is a threat--we cannot go it alone.
 - Culver-Nunn 1976
 - President Carter 1977
 - US Initiatives
- o Driving Factors:
 - Pact forces in the field--equipment intensive.
 - US outspent/out-invested.
 - Strategic parity lays burden on overall balance--especially conventional forces.
- o Re-dress:
 - Not by technology/anti-tank PGM's
 - LTDP, sure but--
 - By armaments cooperation
- o Armaments Cooperation:
 - Two objectives
 - Three initiatives
- o Expectations:
 - Effective Military Forces
 - Resource Efficiency
 - Burden and Benefits Shared
 - Cohesion
 - Perception of Growing Strength
 - Maybe arms control answers
- o Needs:
 - Directions of European Industrial Base--with and without USA
 - National policies and their consequences
 - Technologies and developments
 - Impact on Trade and Competitiveness
 - Relationship to Pact and East-West Trade

*WE would over size for market + new competitors (WGA + Japan)
its industry is aging - not making
The capital investment - need to
hold jobs*

*govern industry relationships
policy making -*